
READER'S GUIDE

Introduction

The adopted budget document contains a wealth of information about many aspects of Waukesha County Government. To make this budget book easier to use and read, this **Reader's Guide** and the **Quick Reference Guide** on the next page have been developed. In addition, the following resources are available to the reader for locating information: **Tables of Contents, Listing of Graphs and Tables, Glossary** and **Index**. Finally, the **Transmittal Letter** and the **Budget Message** should assist the reader with understanding many of the key issues within the Waukesha County Budget.

Document Organization

The County's annual budget book is divided into the following sections: Introduction, Summary, Operational (divided into **functional areas**), Capital and Debt Service budgets and a Statistics and Trends Section.

The **Introduction** includes the County Demographics, an Executive's message and/or Transmittal letter; Mission Statement; County Planning Process; Strategic Priorities; Budget Philosophy; Financial Structure of the County; Financial Management Policies; Capital and Operating budget process and Budget Amendment Process.

The **Summary** includes summarizations of the Operating and Capital budgets; Budget Assumptions; Annual County budget major expenditures, revenue and tax levy highlights which affect the budget; summary of Positions Budgeted; Criteria for New Positions; County Organization Chart; Fund Descriptions; Fund Balance Projections; and Functional Area and Appropriation Unit Summaries.

The **Operating, Capital and Debt Service budgets** are presented within the functional areas, with a summary section included at the beginning of each area. These functional areas include:

Justice and Public Safety	-	Court system, correctional operations, public safety.
Health & Human Services	-	Services to improve quality of life and self-sufficiency.
Parks, Envir, Educ & Land Use	-	Recreational, educational, environmental and land use activities.
Public Works & Airport	-	Road planning, design & maintenance, county-wide fleet maintenance, airport, mass transit, and facilities maintenance.
General Administration	-	County governmental functions and administrative support.
Non-Departmental	-	County-wide items not within direct control of specific agencies and End User Technology Internal service fund.
Capital Projects	-	Major acquisition, construction or infrastructure improvements with long-term financing requirements.
Debt Service	-	Principal and interest payments on long-term general obligation debt.

Each agency is introduced by a gold colored page. Other colored pages signify a **fund type**. Fund types are defined in the Glossary of Significant Terms and explained in the fund Structure and Fund Description pages of the Summary section. The color-coding scheme is designed as follows:

White - General & Special Revenue funds, Statistics and Trend Sections
Ivory - Special Purpose (Capital, Debt Service & Contingency) funds
Blue - Internal Service funds
Peach - Enterprise funds

The agency operational budgets are intended to highlight key policy issues of the agency by presenting summarized expenditures, revenues, tax levy, budgeted positions and major programs. In addition, the budget book document explains the purpose, objectives, achievements, performance measures, Budget Highlights by Program and activity data of the agency.

READER'S GUIDE

Agency Budget Sections

Agency Mission/Summary - This section includes the mission statement, summary of the agency's expenditures, revenues and tax levy required, by fund, for prior year actual, current year adopted budget and estimated budget year and ensuing year budget request. This section includes the absolute dollar and percentage change, by appropriation unit, from the current year adopted budget to the ensuing year budget request. Also included is a budgeted position summary of all full time and part-time budgeted positions for a department and use of overtime and extra help stated in full time equivalents (FTEs).

Multi-fund agencies will also complete a Mission/Summary page summarizing information for all funds. For each separate fund, a **Fund Purpose** statement will be used in place of the mission statement on the Agency Mission/ Summary page.

Prioritized Departmental Objectives - This section identifies the rank order of the strategic objectives anticipated to be accomplished in the ensuing budget year, in order of priority (1 being the highest). The strategic objectives should be consistent, specific, measurable or observable, reference to the strategic plan Critical Issues and Goals and have a target timeframe to accomplish and are accountable to a specific division or program.

Strategic Achievements - This section summarizes the major strategic accomplishments of the department during the previous or current budget year.

Current and Proposed Capital Projects - This section provides a listing of open and planned capital projects that impact the department's operation. It includes project number, name, expected completion year, total project cost and estimated percent completed at year end. The estimated operating impact is also identified with a cross reference to the project summary information.

Budgeted Positions Summary - This section summarizes personnel information (detailed listing of funded position are included in the Statistics and Trend Section). This section also includes changes in the number of positions for the adopted budget to ensuing year request with an explanation of the changes.

Appropriation Unit - One or more expenditure accounts grouped by purpose, including as follows:

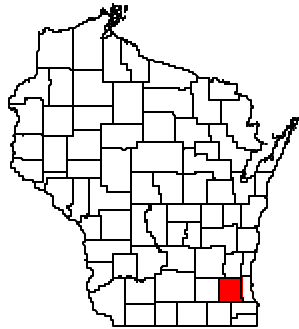
1. **Personnel Costs** - Costs of all salary and non-salary compensation incurred in accordance with County policy. Includes wages, longevity, temporary extra help and overtime compensation paid to county employees. This also includes compensation for sick leave, holiday, vacation and education leaves. Major employee benefits include County pension and social security contributions, health, life and disability insurance.
2. **Operating Expenses** - Costs of all utilities, supplies, travel, and tuition expenses necessary for the operation of a department. Also includes costs of all services purchased from outside vendors.
3. **Interdepartmental Charges** - Costs of all supplies, materials, or services purchased by one county department from another county department (mainly Internal Service funds).
4. **Fixed Assets/Improvements** - Costs of all equipment items (more than \$5,000) used by agencies. This category includes capital outlay, small office equipment items, large automotive equipment items, and major grounds and building maintenance projects, but excludes capital projects as defined by County Code and indicated below.

Programs - In this section, a program is defined as a major activity or expenditure area that a department budgets and accounts for in its operations. This section identifies performance measures, prior year actual, current year adopted budget, current year estimate, ensuing year budget request and the change in budgeted dollars from current to ensuing year by program. Program budget highlights include major expenditure and revenue changes, along with budget year program changes, initiatives and key agency budget issues specific to the ensuing budget year, new position and significant position changes are also described.

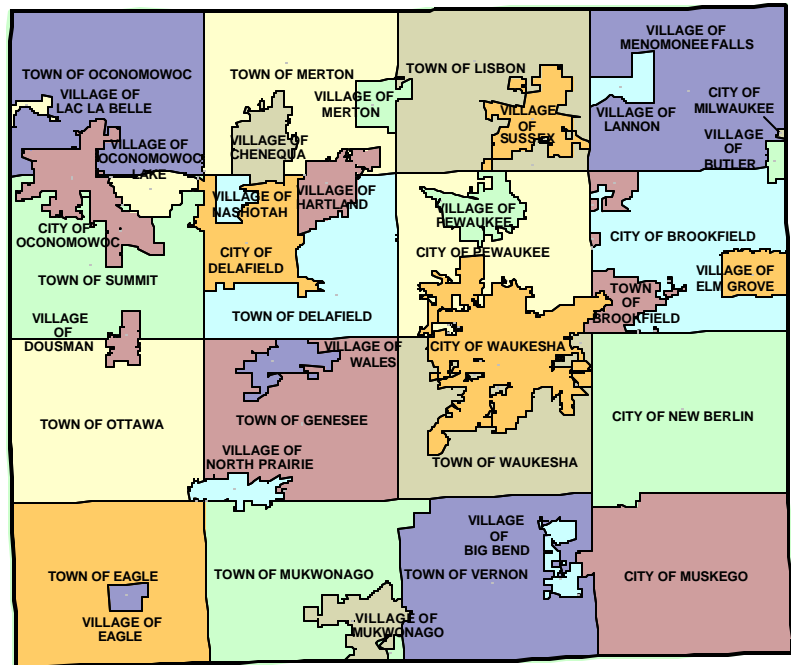
The **Statistics/Trends** section includes general County data such as population and equalized value; five to ten year data trends of expenditures, revenues and debt service; and comparative property tax rates.

WAUKESHA COUNTY, WISCONSIN · DEMOGRAPHICS

Waukesha County is located in southeastern Wisconsin, directly west of Milwaukee County and 100 miles northwest of Chicago. Waukesha County is part of the Milwaukee Standard Metropolitan Statistical Area (SMSA). The County has the second highest equalized property tax base and per capita income and is the third most populous county in the State. The County covers 576 square miles and consists of 8 cities, 18 villages and 12 towns.



County Population	
As of 1/1/2003	371,189
Equalized Property Values	
Including TID	\$37,450,170,400
Excluding TID	\$36,910,435,050



	<u>Waukesha County</u>	<u>State of Wisconsin</u>	<u>United States</u>
2001 Per Capita Income	\$41,337	\$29,270	\$30,472
2000 Per Capita Income	\$39,659	\$28,066	\$29,451
	<u>Waukesha County</u>	<u>State Hwy (In County)</u>	<u>Local</u>
Miles of Roads/Streets	392	233	2,238

See STATS/TRENDS Section for more information on Waukesha County, including data on population, income, employment, equalized value and comparative property tax rates.

BRIEF WAUKESHA COUNTY HISTORY

- In April of 1846 Waukesha County was formed with sixteen townships. Supervisors representing each of the sixteen towns were elected to organize a county board, elect officers and to provide for and build necessary county buildings.
- In 1965, the Wisconsin State Supreme Court ruled that county boards must equitably represent the population, and the Waukesha County Board switched to supervisory districts that represented an equal number of citizens, rather than the units system used previously.
- In April of 1990, a new form of county government was established. The first county executive was elected by the voters of Waukesha County to be responsible for the administrative functions of county government. The county board reorganized to better reflect this new form of governing. The county executive also has the ability to veto actions of the county board, and to appoint members to advisory boards and commissions.



December 12, 2003

Dear Citizen:

While Waukesha County faced a number of financial challenges in creating the 2004 County Budget, it should be noted that our County government's fiscal health is excellent. We should be proud of the steps we have taken in the past because they have provided us with a solid fiscal foundation during this soft economy. While other governments have experienced large budget deficits and sinking bond ratings, Waukesha County remains a model of how things are done right.

Our financial acumen has been tested during this year's process due to budget pressures from significantly diminishing state aids, ever escalating health care costs and the growing needs of our rapidly urbanizing County, while property taxpayers are demanding relief like never before.

Over the years we have faced many fiscal challenges. Without question these issues that now confront us are more daunting than those previously experienced. This budget offers few new initiatives and begins to reduce identified non-essential services.

Our budget theme is "Meeting Today's Challenges" and reflects our willingness to stand up to these fiscal pressures and resolve them in the Waukesha County way. This means no tricks. No gimmicks; but rather sound, long term financial solutions. We need to reaffirm our core responsibilities as county government and trim what is not essential. Radical, cosmetic actions will only come back to hurt our citizens in the future.

This budget reflects Waukesha County's commitment to financial integrity, and our core values in providing responsible and effective government services. In doing so, we have made difficult decisions to balance our needs with the desire for a limited, but fiscally responsible government.

We are proud to indicate that this budget addresses our County's core service priorities while reducing the county property tax rate for the 14th consecutive year. As proposed, the County property tax rate will drop to \$2.21 per \$1,000 in equalized value. Our commitment to fiscal responsibility remains a key value.

This year, department administrators have continued to "Meet Today's Challenges" by making tough choices in their budgets under tighter than normal budget guidelines. They have acted to reduce budget costs, to find additional new grant revenues and other revenue sources, to use cost effective innovation to maintain service levels and to terminate non-essential or non-mandated services. Listed below are some of the tough budget choices we have made to reduce funding in certain programs from their 2003 levels.

- The UW Extension Office tax levy base for 2004 is reduced by \$100,000, as the department plans to focus on generating grant funding for specific program services.
- The tax levy for transit services is reduced \$50,000 from the 2003 budget level.
- The county is mandated to pay most costs related to the state court system and thus, will need to levy nearly \$128,000 of additional property taxes to support State Circuit Courts for 2004.
- The State budget reduces \$160,00 of Income Maintenance administration funding to the County.
- Certain non-core, non-mandated human services programs are being eliminated in this budget due to fiscal pressures in mandated programs. Reductions include the final phase-out of the Basic Assistance and Services for Individuals in Crisis (BASIC) medical payment program and the indigent burial program.

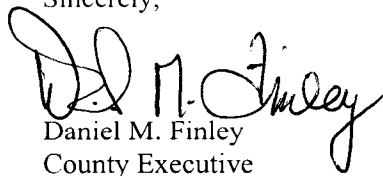
Under mounting fiscal pressures, and when timing of the economic turnaround is still uncertain, we need to continue to make careful management decisions and good investments in cost-effective initiatives for our future. Listed below are the few new initiatives in the 2004 budget.

- The new Public Works Communication Center will deliver efficient and reliable shared dispatch services with an investment in the most current technology to assist a seamless transition to the combined emergency dispatch and call taking services for 29 municipalities in 2004. The 2004 operating budget includes \$1.7 million for dispatch start up operations including \$1.472 million of additional tax levy over the 2003 base budget.
- An additional \$100,000 was appropriated to the Criminal Justice Collaboration Council budget. This includes \$50,000 to develop a new cost saving initiative aimed at controlling or reducing jail inmate population growth and reducing inmate recidivism.
- The budget provides a first-year grant payment of \$140,000 funded with general fund balance for countywide Hazmat response.

The 2004 adopted budget represents our County's ability to "Meet Today's Challenges" with financial integrity. We will continue to lead the way with sound long term solutions rather than being reactive. Utilizing strong financial management principles and consistent budgeting practices will lead the way to maintain control of taxes and spending that achieve results.

An enormous amount of time and energy has gone into the preparation of the 2004 Waukesha County Budget. I would like to commend the department administrators and staff for their extra effort in developing this challenging budget. In addition, I would like to extend a sincere thank you to the County Board of Supervisors for their thorough review and approval of the budget. Working together we have created a responsible budget that meets the needs of citizens in Waukesha County.

Sincerely,



Daniel M. Finley
County Executive



December 17, 2003

Board of Supervisors
Waukesha County Courthouse
515 West Moreland Boulevard
Waukesha, Wisconsin 53188

Honorable County Board Members:

Submitted herein is the County's 2004 Budget as adopted by the County Board of Supervisors and signed by the County Executive.

LIMITING SPENDING AND TAXES

The 2004 Budget represents one of the more challenging processes with pressure emanating from the State Legislature to the statewide press which focused on local property taxes while they confronted a \$3.2 billion State government deficit that was years in the making.

The last dozen plus years of well-managed budgets during the "good times" served us well in preparing for and coping with the downturn in the local, state and nationwide economy. In spite of reduced State funding to the County and increasing mandated services requirements, the Adopted Budget reduces the tax rate for the 14th consecutive year and limits the property tax increase on existing services to less than 2.6%. The impact to County services in an economic downturn is a paradox to that of the typical private sector business. While their business goes down, our workload increases primarily in economic assistance programs, the court and jail systems, mental health, alcohol and drug treatment programs, and other "last safety net" County programs our citizens depend on.

This budget balances the property taxpayer's ability to pay with maintaining quality government services in Waukesha County. This budget reflects long-term solutions rather than reactive measures to assure control of taxes over the years. As the economy is slow to recover and the State is in the midst of their fiscal crisis, this is a very difficult period for most local governments in Wisconsin.

A vital factor in controlling spending and taxes is to keep a firm handle on position growth. This budget does that by the elimination of non-essential positions and the creation of a limited number of strategic new positions that emphasize improving the bottom line. The overall impact of authorized position changes results in a net reduction of 2.7 FTE positions (excluding the new shared Communication Center operations) and other position changes for a net tax levy reduction of over \$310,000. This investment and control of positions is one of the key reasons that Waukesha County had the lowest per capita expenditures of all 72 counties in 2001 (latest comparison data available).

State shared revenues to local governments are being cut dramatically as we are asked to do our part to help the State. Also, the cost impact of the State's passage of Act 11 in 1999, a \$ 5.0 billion retirement pension benefit sweetener, is beginning to hit local budgets. Health care costs continue to escalate with a premium increase at 16% (after 30% and 25% increases the past two years) in our self-insured plan. In addition, the start up of the new shared dispatch Communication Center operations will impact heavily on this year and next year's budgets, but ultimately should help save local municipalities as much as \$2.7 million a year. * These major items when taken together have made this year's budget the most challenging to assemble in over a decade. Yet this budget continues to meet core service needs while dealing with these difficult circumstances.

The 2004 proposed tax levy rate declines by \$0.10 per \$1,000 property valuation from \$2.31 to \$2.21, a decrease of 4.4% from the 2003 budget level. Since 1990, the tax rate has been reduced by \$1.12 from \$3.33 per \$1,000 of property value, or over 33%. The County's current tax rate is the lowest in the State of all counties that have not implemented the sales tax (and 70th of all 72 counties).

The 2003 general County property tax excluding the new Communication Center totals \$79,792,996 (for 2004 budget purposes), which represents an increase of \$2,015,055 or 2.59% from the comparable 2003 tax levy. The new shared dispatch Communication Center requires new tax levy funding of \$1,471,969 above the 2003 budget, adding 1.9% to last year's total general tax levy. The tax levy increase meets the State legislative proposed tax freeze which if adopted would have limited a county's tax levy increase to the current year's growth in construction property values (2.6% for 2003) and allowed an exemption for assuming responsibility for shared services such as the new Communication Center Dispatch Operations.

The special Federated Library system County tax is approved at \$2,769,187 an increase of \$225,082 or 8.85%. In 2004, the adopted special Library tax rate is \$0.2629 per \$1,000 of property value applied to taxpayers property in communities without libraries.

The County's 2003 budget appropriations total \$237,050,129, which consists of capital project spending of \$28,344,370 and operating expenditures of \$208,705,759. Capital project spending is reduced almost \$1.3 million or 4.4% from last year. The operating expenditure increase is maintained at about 4.5% even after absorbing the significant increases in health insurance costs, the Wisconsin retirement pension, and the new Communication Center.

* Waukesha County Consolidated Shared Dispatch Study; Virchow Krause and Company report September 26, 2002.

IMPACT ON HOMEOWNERS

The tax bill impact on County residential taxpayers, based on an average home value at \$218,700 (2000 census value each year adjusted for residential market inflation) will result in an average County tax increase of about 2.2%. In the past ten years, the average value of a Waukesha County house has increased from \$144,300 in 1994 to \$218,700 in 2003. The County taxes on that house in 1994 was \$437 and the proposed tax would be \$483 in 2003 (for 2004 budget purposes) or about a 1% increase per year.

TOUGH BUDGET CHOICES

As part of meeting this challenging budget process department administrators had to make tough budget priority choices under tight fiscal guidelines. They have responded with actions to reduce budget expenditures, finding other revenue funding sources, initiating cost effective solutions to maintain most service levels and ending non-essential, non-mandated services and programs.

The UW Extension Office tax levy base for 2004 is reduced by \$100,000, as the department plans to focus on generating grant funding for specific program services and continue to rely on State resources and collaborative regional efforts to sustain services and programs. The County continues 40% share of funding for about 2.5 FTE faculty staff and reduces county funding of some clerical support staff, which will be partially replaced with other grant funding sources.

The County's Transit Service contractor recommends adjustments to certain routes that are not cost effective due to a lack of riders and the resulting high costs per passenger trip. The tax levy for Transit services is reduced \$50,000 from the 2003 budget level

The lack of a State/County partnership is especially notable in the funding shortfall for the State Circuit Court system and Human Service programs, which continue to require more local funding of mandated continuing services. For the last eight consecutive years, the State budget has provided no increase in the County's major Human Services funding source, the Basic County Allocation (BCA). This lack of increase in BCA is a significant driver increasing Health and Human Services local levy need by an additional \$860,000. While locally generated court fee charges increase, the State has not provided for additional State circuit court support grant funding allocations to this County. Instead the State has absorbed increasing fine and forfeiture revenues collected by County's into the State budget. Since these revenues are sent to Madison to fund state government, the County will need to levy nearly \$128,000 of additional property taxes to support State Circuit Courts for 2004 in spite of efficiencies and budget actions taken.

The State budget reduces nearly \$160,000 of Income Maintenance administration funding to the County. This is in addition to decreased State funding to the County's W-2 contract service provider at a time when caseloads have increased by 50% in the recent 3 years. Since the State enforces caseload performance standards regardless of funding, the County will be reviewing a cost savings measure in 2005 that should not affect caseload administration. The savings would come from relocating County service at the Human Services Center eliminating Workforce Development Center rent charges. Unfortunately, this results in the dismantling of the successful one-stop economic assistance program services at the Workforce Development Center which the County, other private entities and government agencies provided.

Certain non-core, non-mandated Human Services programs are being eliminated in this budget due to fiscal pressures in mandated programs. Reductions include the final phase out of the BASIC (Basic Assistance and Services for Individuals in Crisis) medical payment program and the indigent burial program.

LIMITED BUDGET INITIATIVES

Under mounting fiscal pressures, and with timing of the economic turnaround still uncertain, this budget continues to make careful management decisions and good investments in cost effective initiatives for our future.

- The new Public Works Communication Center will deliver efficient and reliable shared dispatch services with an investment in the most current technology to assist a seamless transition to the combined emergency dispatch and call taking services for 29 municipalities in 2004. The 2004 operating budget includes \$1.7 million for dispatch start up operations including \$1.472 million of additional tax levy over the 2003 base budget. This includes staffing as outlined and required in County enrolled ordinance #158-019. The new Communication Center will result in significant costs savings to local municipalities that have joined the shared dispatch service operations.
- The Criminal Justice Collaboration Council budget appropriations for 2004 total \$308,600 and tax levy support for this program is increased by \$100,000 over the 2003 base budget level. This includes \$50,000 to develop a new cost saving initiative aimed at controlling or reducing jail inmate population growth and reducing jail inmate recidivism. A planned second addition to the County jail was deferred from the final year of the capital plan last year with the expectation of program results in the next several years.
- This budget provides a first-year grant payment of \$140,000 funded with general fund balance for countywide Hazardous Materials (Hazmat) emergency response. This will fund a cooperative effort with the City of Waukesha – Fire department to extend their response to Hazmat incidents throughout the County. With this funding, local jurisdictions can eliminate duplicative services and coverage will be expanded to communities previously without coverage. The County plans to seek grant resources to assist with service continuation in 2005. Considerable savings in municipal budgets are expected from those fire departments throughout the County that currently maintain Hazmat response units.

INFRASTRUCTURE INVESTMENTS

The County prudently plans for its infrastructure needs and continues to manage its debt financing carefully to protect its Aaa/AAA Bond rating. The Capital Projects plan for 2004-2008 continues to focus on Highways and Justice & Public Safety projects. Highway projects comprise over half (55%) of project plan expenditures with the Justice and Public Safety area at nearly 33% of the project plan expenditures. Changes were made in delaying some projects to reflect similar tight levy constraints in the capital budget as proposed in the operating budget.

Capital project spending for 2004, is at \$28.3 million, a decrease of about \$1.3 million from the 2003 budget. This capital budget maintains our fiscal integrity as part of a balanced capital plan. We continue to fund the capital budget with more than a 20% tax levy down payment and we do not borrow more than have planned or extend our borrowing term.

Vital capital projects including necessary budget appropriation funding are as follows:

- On-going funding in 2004 for 22 existing projects totals almost \$24.6 million or nearly 86% of the proposed budget. This includes \$11.6 million for building construction projects of which \$10.0 million is the second year construction funding of the Justice facility expected to open mid-year 2005 with 278 additional cells.

- Also, nearly \$11.0 million is appropriated for existing road projects, which includes \$5.1 million for phase 1 reconstruction of 2.3 miles of CTH L (Janesville Road in Muskego) to a multi-lane segment of road; \$2.1 million for rehabilitation of CTH P (Wisconsin Ave. in the Town of Oconomowoc); and \$1.0 million for widening CTH J (Pewaukee Road in Pewaukee) as part of jurisdictional transfer agreements. The Highway repaving program is funded at almost \$2.1 million to repave approximately 15 to 20 miles of roadway. Several existing Information Systems technology projects continue with appropriations totaling \$1.8 million.
- The 2004 capital budget includes three projects, which are scheduled in the capital plan including design costs of \$1.0 million for the reconstruction of CTH Y-Racine Avenue and CTH O Moreland Road projects. Design plans will also be developed on the infrastructure upgrade and replacement of the countywide Public Safety mobile data system.
- Ten new projects add about \$2.7 million to the 2004 budget. These projects include \$1.2 million for three intersection improvements and one bridge project. Information system projects require \$855,000, which includes \$355,000 for a Oracle Infrastructure upgrade; \$300,000 for countywide cashing system; a \$150,000 for Citrix Server development; and \$50,000 for HIPAA Security. In addition, two building projects include \$365,000 for the demolition of the old boiler room at the Northview Facility, and \$219,000 to replace air handling units for better energy management at the Human Service Center.
- Three projects are delayed one year including Information systems office software package upgrade, Telecommunication systems upgrade, and the Parks bikeway path improvements result in shifting expenditures of \$693,000 to the next year. In addition, two projects funding requirements are reduced including shifting \$4.0 million from 2004 to 2005 based on an updated timetable of cash flow needs to fund the Justice Facility construction expenditure requirements.

PROJECT FUNDING AND DEBT MANAGEMENT

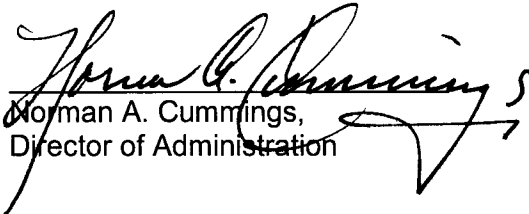
- ◆ The 2004 Capital projects budget is funded with revenues totaling \$2,630,468, which is a reduction of \$2.0 million from the 2003 budget. The revenues mainly consists of Transportation related funding from a combination of federal, state and local sources of \$1.225 million; an estimated \$600,000 from the State for the technology/computer equipment exemption from the personal property tax base, and State Shared revenue of \$355,000. Local revenue sources also include about \$255,500 in municipal loan repayments for the municipal share of the Communication Center facility and related computer software. In addition, Federal Homeland Security- Emergency Preparedness funding of \$120,000 is provided to fund the Courthouse/Administration Center Campus security project.
- ◆ Fund balance appropriations total \$6,260,570 (including \$4.4 million of reserved general fund balance), primarily \$3.6 million of prior year jail assessment fee revenues and \$770,570 of prior years Federal prisoner revenue planned to help fund the Justice Facility-Jail expansion project. Proprietary fund related Capital projects utilize fund balance totaling \$795,000 mostly for various Internal Service fund projects. Human Services fund balance of \$650,000 is used as one time funding to complete their expenditures Information systems project, and Capital project fund balance of \$445,000 is also appropriated to fund 2004 projects.

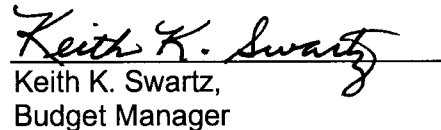
- ◆ In addition, other major project funding includes debt borrowing of \$14.0 million; investment income on the borrowed funds of \$700,000 and a tax levy down payment of \$4,753,332. The tax levy amount budgeted for capital projects decrease \$395,974 from the 2003 budget amount and funds 24.4% of net expenditures (after revenues and fund balances are applied).
- ◆ The 2004 capital projects require an increase in total debt service tax levy of \$496,650. The debt service budget for 2004 continues to be within compliance of the State's imposed levy rate constraints on counties. The debt service expenditure to total governmental operating expenditure ratio is maintained at 7%, which is well below the County's performance measure of less than 10%. This budget continues prudent debt management and capital budgeting policies and practices to maintain the County's coveted Aaa/AAA bond ratings. These ratings help lower the County's borrowing costs for taxpayers.

ACKNOWLEDGEMENTS

This Adopted Budget represents our County's ability to "Meet Today's Challenges" using strong financial management principles and consistent budgeting practices. This approach leads the way to maintaining control of taxes and spending that achieve results with sound long term solutions rather than being reactive.

Sincere appreciation is extended to department administrators and staff for their extra effort in developing this challenging budget. All these efforts, and the thorough review and approval by the County Board of Supervisors, are greatly appreciated.


Norman A. Cummings,
Director of Administration


Keith K. Swartz,
Budget Manager

STRATEGIC PRIORITIES

1. Public Safety

The need to provide public safety and security for all citizens of Waukesha County with an emphasis on County buildings' security.

2. Fiscal Management

The need to plan for all factors affecting the County in order to maintain tax stability, avoid fiscal adversity and continue essential operations, while complying with the State freeze proposition.

3. Transportation

The need to ensure that our transportation system meets the demand of our growing County.

4. Senior Community Services

The need to address the changing needs of senior county residents by planning, coordinating and providing access to nutrition and transportation programs to meet their needs.

5. Family Intervention Services

The need to provide services for targeted populations, especially children and people with disabilities, in order to further their growth, development, safety and self-reliance.

6. Better Customer Service

The need to continuously improve services to the public through innovation, cost-effectiveness and quality improvement. The next level to improving services for our customers is through the Internet.

7. Development

The need to plan for the orderly development of residential, commercial and recreational areas in Waukesha County.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Waukesha County
Wisconsin**

For the Fiscal Year Beginning
January 1, 2003

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Waukesha County, Wisconsin for its annual budget for the fiscal year beginning January 1, 2003.

In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

The award is valid for a period of one year. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

WAUKESHA COUNTY

MISSION STATEMENT

Waukesha County is committed to “working together, leading the way” in the delivery of high quality, cost-effective services to the public.

PLANNING FOR THE FUTURE

To plan for the future, Waukesha County continues to engage in a strategic planning process which focuses on long term planning and our desire to be a mission driven organization steadily improving its services and operations.

The County develops a five year capital projects and debt financing plans. In addition, a five year operating budget plan is developed for Internal use which incorporates significant strategic budget initiatives and budget drivers.

Also the County has planning process programs for the following:

- Building and Grounds Maintenance Programs for Facilities.
- Vehicle Replacement Plan
- End User Technology Fund for Technology Equipment Replacements
- Highway Improvements Program

WAUKESHA COUNTY PLANNING PROCESSES

	TYPE OF PLANNING PROCESS	DESCRIPTION OF PROCESS	BUDGET IMPACTS
Strategic Planning	Long Range (3 to 10 years) with objectives established for budget yr.	Department Plans are developed with review and coordination by the County Executive Office.	Allows for reallocation of resources to predetermined strategic goals and objectives.
Operating Budget Forecast	Three year operating plan to facilitate financial planning.	DOA Budget Division budget staff working together with department staff to determine key forecast assumptions to project major revenue sources and expenditures.	Provides for budget stability, planning and direction for future resource allocation decision-making.
Capital Projects Plan	Five year plan includes project listing by plan year.	County Executive submits plan for County Board approval by resolution with possible County Board amendments.	Provides predictable funding level from year to year to allow planning for debt service requirements and operating costs of new facilities and infrastructure improvements. (Section VII, Capital Projects and Operational Impacts)
Technology Projects Review Process	Multi-year (3 years) technology review process	Department submit projects for review by Technology Review & Steering Committees. Criteria established to set priorities and make recommendations for funding.	Provides for thorough technology review, considers best practices and cost/benefit criteria. Ranks projects to meet budget priorities over three year planning period.
End User Technology Support (Formerly Copier and Computer Replacement)	Multi-year plan to replace computers and network infrastructure. Provides for maintenance, help desk support & web administration.	DOA Information Systems (Computers) and Records Management (Copiers), maintain inventories and approve replacements/maintenance based on established criteria.	Allows for the funding of replacements, maintenance, help desk support, network infrastructure replacement and web administration annually. Replacement decisions consider changing software technology, economic issues, maintenance costs and downtime. Based on Total Cost of Ownership (TCO) concepts.
Building Maintenance	Five year plan by facility and maintenance activity or project.	Public Works Department prioritizes Departments' request for projects along with known required maintenance.	Provides a stable annual level of expenditures to insure continued maintenance of county facilities. (Section IV, 5 Year Building Improvement Plan)
Grounds Maintenance	Three year plan to address County grounds and park facilities.	Parks and Land Use Department schedules identified ground maintenance projects according to priorities and funding level.	Provides for a stable annual level of expenditures to insure the continued maintenance of county grounds. (Section III, 3 Year Grounds Maintenance Plan)
Vehicle/Equip. Replacement	Five year plan to replace certain vehicles and contractor type equipment.	A Vehicle Replacement Advisory Committee reviews and approves replacement criteria.	Allows for the funding of replacements annually at an established base level and insures that the condition of the fleet is at an optimum level reducing fleet maintenance and costs of service. (Section VI, 5 Year Vehicle/Equipment Replacement Plan)
Highway Improvements Program - Culvert Replacement - Repaving Plan - Bridge Replacement	Internal ten year plan to maintain and improve County trunk highway system, that integrates with the 5 year Capital Planning Board.	Public Works Staff develops an internal highway improvement program based on SEWRPC's Highway Jurisdictional Plan with priorities and criteria. - Replace 15-20 culverts annually - Resurface 20 mi. of CTH using pavement mgmt. system with pavement index goal of >70%.	Long Term planning for highway infrastructure needs that mitigates future on-going maintenance costs, addresses highway safety issues, and extends the life of highways and bridges and the need for their reconstruction.

Waukesha County

Budget Philosophy

- Focus on the customer
- Link to strategic planning
- Decisions based on measurable objectives and outcomes
- Stable revenues and expenditures
- Develop strategic alliances
- Investments today pay future dividends
- Protect our Aaa / AAA bond ratings

FINANCIAL STRUCTURE

Summary

Waukesha County (the County) was incorporated in January 1846, and operates in accordance with provisions set forth in Chapter 59 of the Wisconsin State Statutes. The County is governed by a County Board. In April 1991, the County elected its first County Executive to coordinate and direct all administrative and management functions of County government which are not vested in other elected officials. The Executive has the authority to propose and veto legislation, and formulate the County budget and veto in whole or in part the budget adopted by the County Board. A two-thirds vote (24 members) of the Board is required to override each County Executive veto.

The County provides many functions and services to citizens, including but not limited to law enforcement, justice administration, health and human services, parks, education and cultural activities, planning, zoning, land use, environmental including water quality, recycling and general administrative services. Other activities the County provides are public works services including highway operations, mass transit, airport and fleet and facilities maintenance. In addition, golf courses, and ice arenas, a convention and meeting facility and grounds are available for citizen use.

Fund Accounting

Similar to most government entities, the County organizes its finances on the basis of funds and account groups. Each fund is considered a separate accounting entity. Operations of individual funds are accounted for with a separate set of accounts that consists of its assets, liabilities, fund equity, revenue and expenditure or expenses, as appropriate. County resources are accounted for in each fund based on the purpose for which they are spent and by which spending activities are controlled. In 2002, the County implemented the new financial reporting mode required by Governmental Accounting Standards Board (GASB) Statement 34. In addition to traditional fund reporting, a statement of activities and statement of net assets are prepared on an entity-wide basis.

Fund Types

Funds are normally classified according to the accounting conventions which apply to them. The County presents financial statements in its Comprehensive Annual Financial Report (CAFR), grouped into three broad fund categories comprised of seven fund types as indicated below. Note however, the County does not budget for fiduciary fund types **(For more detailed information, see Fund Balance Projections and Fund Descriptions within the Summary.)**

"GOVERNMENTAL FUNDS" are governed by standards developed specifically for government activities.

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

FINANCIAL STRUCTURE, Cont.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term principal, interest and related costs, but excludes debt serviced by proprietary funds.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources which are used for all acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust fund).

"PROPRIETARY FUNDS" are governed by the same accounting standards which apply to private business.

Enterprise Funds - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds - Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost reimbursement basis.

"FIDUCIARY FUNDS" are agency funds. **Note the County does not budget for these funds.**

Agency Funds - Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

For more details regarding Basis of Accounting, refer to the County's Year End Comprehensive Annual Report (CAFR) Notes to Combined Financial Statements.

FINANCIAL MANAGEMENT POLICIES

Waukesha County's long and short term financial policies are derived from various sources. The State of Wisconsin Statutes prescribe the basic budgeting standards for County governments. The Waukesha County Code establishes the basis of accounting in conformance with generally accepted accounting principles. Below is a description of the County's fiscal management policies for revenues, operating expenditures, capital improvements, debt, investments, reserves, basis of budgeting and accounting methods. The County budget is considered balanced as County budgeted expenditures are funded by a combination of various external revenues sources, property taxes and funds available in fund balances identified in the prior year CAFR.

Revenues

1. The County relies on the property tax as its sole source of local tax revenues to fund state and local programs and services. Property taxes account for about 35.6% of total revenues. Other tax options allowable by statute to counties include a 0.5% County sales tax and a local motor vehicle registration fee. Waukesha County has not implemented other tax options.
2. The County continues its efforts for greater reliance on user fee service charges to offset reductions of Federal/State funding and to supplement property tax revenues. The County attempts to maintain a diversified and stable revenue stream. Service fee charges (user fees) are implemented for services that can be individually identified and where costs can be directly related to the level of service provided. The County's budgeting philosophy is to annually provide at least nominal inflationary increases on most user fees.
3. The County maximizes its return on investment consistent with its investment policy. Investment income is a reliable funding source because of strict adherence to investment and liquidity guidelines, which is used to reduce reliance on the property tax levy.
4. The County aggressively pursues advantageous grant funding opportunities to bring Federal and State tax dollars back to the local economy and allows for expanded services to assist community residents. The budget continues funding to contract for a grants coordinator consultant to help locate alternative funding sources and provide technical assistance to departments applying for grant funding.

Property Tax Levy Rate Limit

Limits have been imposed on the property tax levy rates for Wisconsin counties. There are separate limits for the operating levy and the debt service levy. The baseline for the limits is the actual 1992 tax rate adopted for the 1993 budget. The operating levy rate and the debt levy rate cannot exceed the baseline rates unless the county qualifies for one of the exceptions allowed under the statute, as described below. The statute establishes specific penalties for failure to meet the freeze requirements. Among the penalties for exceeding the limits is reduction of state shared revenues and transportation aids.

The operating levy rate can be exceeded only if responsibility for services is transferred to the County from another governmental unit (transfers by the county to other governmental units reduce the maximum rate) or if an increase in the maximum rate is approved by referendum.

FINANCIAL MANAGEMENT POLICIES, CONT.

Property Tax Levy Rate Limit Cont.

The 2004 budget is within both the operating and debt tax levy rate limitations contained in the state law, and is within the limit even without the exception from the debt service rate limits which apply to the County's obligations.

The debt service rate limit can be exceeded to the extent necessary to pay debt service on obligations authorized or issued prior to the effective date of the State's 1993-95 budget bill (August 12, 1993). Additional general obligation bonds or notes can be issued only if one of the following conditions is met: (a) the bonds or notes are approved by referendum, (b) the county board adopts a resolution that sets forth its reasonable expectation that the issuance will not cause the county to exceed its debt levy rate limit, (c) the debt is issued for regional projects, (d) the debt is issued to refund existing debt or (e) the resolution authorizing the debt is approved by a vote of at least 3/4 of the members-elect of the county board. In addition, counties are prohibited from using the proceeds of general obligation bonds or notes to fund the operating expenses of the general fund of the county or to fund the operating expenses of any special revenue fund of the county that is supported by property taxes.

The County Board has adopted each debt issue since the tax levy limits took effect by votes of greater than 3/4 of the members elect. Therefore, each note issued is not subject to the debt service rate limit.

Operating Expenditure Budget

1. State Statutes require budgetary control at the total expenditure level by agency; however, the County's policy requires more stringent controls. The operating budget control is established for a department's fund budget by appropriation unit categories or classes of accounts (i.e. Personnel Costs, Operating Expenses, Interdepartmental Charges and Fixed Assets) for governmental funds. For proprietary funds, capital projects and debt service funds total expenditure level is the control limit.
2. In the 2001 budget, the fixed asset capitalization level was raised from \$1,000 to \$5,000 to be consistent with Federal and State fixed asset capitalization levels and to help relieve the additional administrative burden of asset inventory tracking imposed by Governmental Accounting Standards Board (GASB) pronouncement #34.
3. The County Executive establishes specific departmental operating budget tax levy target guidelines to limit County spending and taxes in budgets presented to the County Board by October 1st of each year. This year the County Executive set targets to meet the proposed State (legislative budget) tax freeze on local municipalities and counties. The State tax levy freeze proposal allowed for tax levy growth for counties to the extent of year to year growth in property valuation from new construction only. In addition, it allowed for an exemption for tax levy required for new shared services with other governments where the service is to be provided by the County. Tax levy targets issued for all departments are tighter than normal and do not provide for the cost to continue operations as in the past in order to adjust to a significant loss of State revenues and other State/Federal mandate impacts.
 - All governmental (general and special revenue) funds with tax levy support and revenue flexible are required to meet more stringent tax levy targets in 2004.
 - The smaller departments with usually less than \$1.0 million in tax levy support and limited revenue generating capabilities received tighter targets than the cost to continue funding provided to all small departments as in past budgets.

FINANCIAL MANAGEMENT POLICIES, CONT.

Operating Expenditure Budget Cont

- Departments having Enterprise, Internal Service and certain non tax levy supported Special Revenue funds are expected to generate operating revenues sufficient to offset costs. Certain Enterprise funds have situations where tax levy support is provided to make scheduled debt service payments or to fund a projected net operating loss; or to provide cash flow for fixed assets purchases. Internal Service fund operations receive no direct tax levy and are limited to billing rate service charge increases at or near inflationary costs (with any proposed rate increases based on cost justification). Certain Special Revenue funds are limited to tax levy funding which meets local match funding requirements.
 - Special initiative or decision service package requests that are sound investments may receive funding over target amounts or cost to continue funding. These requests, if granted are based on documented need or specific cost/benefit justification.
4. Debt financing is never used to finance current operations or purchases of vehicles and related equipment. It is only used to finance capital assets with a useful life usually seven years or greater and a total project value of \$100,000 or more (County standard for a capital project).
 5. The Public Works Department includes a Highway Pavement replacement program in the Capital Projects budget. The estimated 15 year replacement cycle is implemented based on pavement ratings system to address safety issues and highways with the greatest need of upgrade.
 6. A five-year Vehicle/Equipment Replacement Plan is updated annually to specify the replacement cycle for County vehicles and equipment that meet the required criteria. Adopted in 1990 by the County Board, the plan reduces year-to-year fluctuations in departments' fixed asset budgets, and helps to ensure that the County's vehicles and equipment are replaced before age or usage cause excessive maintenance costs and expensive equipment downtime. A Vehicle/Equipment Replacement Fund was created to implement the plan. Replacement vehicles and equipment are purchased from this fund, and user departments pay for the asset through an annual charge (see the Public Works section, Vehicle/Equipment Replacement Fund).
 7. A Computer Equipment Replacement Fund was established in the 1996 budget to provide funding for computer equipment repairs, maintenance, and replacements on a regular schedule. In 2001, this fund was re-titled to the "End User Technology (EUTF) Fund" and increases funding for all personal computer support including web based Internet activities, e-government initiatives and infrastructure needs. A long term plan is intended to manage the year to year variation in budgeting requirements by basing computer and infrastructure replacement and repair decisions on changing technology and just in time replacement, maintenance and other economic issues. The fund has evolved and expanded to reflect "total cost of ownership" in the appropriate departmental program budget. During the start up years of this program, tax levy and general fund balance appropriations will provide the necessary funding until these costs can be fully absorbed by annual charges to departments. (See the Non-Departmental budget section)
 8. The Parks and Land Use Department is responsible for the County's Grounds Maintenance and Parks Pavement Management Program. The Department has established a three-year Parks maintenance program, which includes a parks roadway maintenance program as well as continued maintenance of County grounds and park facilities as a priority area within the department's operating budget.

FINANCIAL MANAGEMENT POLICIES, CONT.

Operating Expenditure Budget Cont

9. The Public Works department maintains a five-year Building Improvement Plan. The five-year Building Improvement Plan identifies and prioritizes future building improvement projects, including mechanical infrastructure replacements required for proper maintenance of County facilities. The first year of these plans is included in the operating budget and individual projects are usually less than \$100,000, therefore the capital budget and financing is not used to fund these projects.

Capital Improvement Plan

1. The County prepares and adopts a five-year capital improvement plan, which provides comprehensive planning, budget stability and analysis of the long-range capital needs of the County. The plan describes details of each capital project, estimates project cost and priorities, identifies funding, cost/benefit analysis justification and estimates impacts to the operating budget.
2. A Capital Project is defined as an active or proposed non-recurrent expenditure in one or more specified plan years of an amount normally in excess of one hundred thousand dollars (\$100,000) for a permanent fixed asset (building, land, improvement, technology improvements or equipment installation) which has a useful life or extends the useful life of an existing fixed asset, usually in excess of seven years.
3. Building construction and renovation projects in the capital plan are required to follow the County's established building methodology process. Information Systems projects are required to follow an established Technology review process.
4. Operational impacts of capital projects indicate the annual on-going and one-time costs of implementing the capital improvement program. These costs are included in the department's operating budget, providing for additional personnel, operating costs and needed fixed assets. Major operating impacts (excluding Debt Service) in the budget are identified in each department operating budget and explained in further detail in the Capital Projects section. Debt Service impacts are also identified in further detail in the Debt Service section.

Debt Policy

1. Capital projects are in part financed through the issuance of general obligation promissory notes with a goal to borrow for less than 80% of net capital project expenditures to manage the debt service to operating budget expenditures ratio at less than 10%. The five-year debt service plan is based on capital expenditures planned in the County's five-year capital plan. See Debt Service Activity data for current trends.
2. The County structures its debt borrowing issues with a moderate term of between eight and ten years and to maintain stable annual debt service payments to avoid major fluctuations between years.
 - Promissory notes are amortized with larger payments in the final year to integrate new debt with existing debt to achieve stability. The continuation of the current debt strategy allows for the larger principal payments of each successive annual debt issue in the years that previous years' issues have been retired (see Debt Service Section Requirements page and Projected Debt Service illustration page).

FINANCIAL MANAGEMENT POLICES, CONT.

Debt Policy, Cont.

3. By State Statute, the County's debt obligations cannot exceed 5% of the equalized value of all property in the County, including Tax Increment Financing Districts. The County has over 95% of available of the statutory debt limit with the planned 2004 debt issue of \$14.0 million.

Reserve Policy

1. The County will maintain unrestricted fund balances to provide necessary working capital to avoid cash flow interruptions and short-term borrowing to fund daily operations. These fund balance reserves are used to generate interest income, and assist in maintaining the County's Aaa/AAA bond ratings.
 - The unrestricted governmental (general and special revenue) fund balance to governmental expenditures ratio is maintained at a minimum of 11%.
 - An explanation of the County's fund balance projections for each year-end December 31, is provided in the Summary section of the Adopted Budget document and is published as part of the mandatory Budget Public Notice issued in September.
2. The County's Contingency Fund provides for emergencies or other expenditures which could not have been planned for or anticipated during the budget review process. Contingent fund transfers are authorized by the Finance Committee (fund transfer) and/or the County Board (by ordinance) as allowed by state law, if the need is of sufficient urgency, and is not a circumvention of the budget process.

Investments

The County has adopted an investment policy with primary objectives of the preservation of capital in the overall portfolio, to protect investment principal and to maintain liquidity and maximize returns on investment. Investments are primarily limited to U.S. Treasury obligations and Government Agency Securities; Aaa rated Money Market Funds and the State of Wisconsin Investment Pool. Significant management effort is directed toward managing the average and maximum life and duration of securities in the portfolio to ensure that liquidity needs are met.

Accounting Policy & Basis of Budgeting

1. The official books and records of the County will be maintained in conformance with accounting principles generally accepted in the United States of America as promulgated by Governmental Accounting Standards Board (GASB)
2. The accounting records of the County are maintained on the modified accrual basis of accounting for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, and Agency Funds and on the full accrual basis of accounting for the Enterprise funds, Internal Service Funds and permanent Trust Funds. In general, under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Under the full accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when liabilities are incurred without regard to receipt or disbursement of cash. The County's fiscal year is on a calendar year basis from January 1 to December 31. An expanded explanation of the County's accounting policies is contained in the Notes to Combined Financial Statements in the Comprehensive Annual Financial Report (CAFR).

FINANCIAL MANAGEMENT POLICES, CONT.

Accounting Policy & Basis of Budgeting, Cont.

3. Budgetary control is maintained by a formal appropriation and encumbrance system. The annual budget approved by the County Board is by agency appropriation unit in each fund (with the exception of proprietary funds, which are controlled by total expenditure budgets). An appropriation unit is a group of accounts within an agency. Types of appropriation units include Personnel Costs, Operating Expenses, Interdepartmental Charges, Fixed Assets and Improvements (capital outlay) and Debt Service. Budgetary control is maintained by appropriation unit, within agency, within fund. Purchase orders or payment vouchers which result in an overrun of the appropriation unit are not released or paid until additional appropriations are made available in accordance with County policy.
4. An appropriation system of internal control will be maintained to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.
5. The County budget is adopted as required by State statutes prepared on substantially the same basis as the financial statements. The basis of budgeting is in accordance with Generally Accepted Accounting Principles. However, budgetary expenditures include encumbrances and budgetary revenues include all property taxes levied for the fiscal year and unrestricted fund balance appropriations. In addition, Proprietary Fund budgets do not budget for compensated absences and non-operating gains or losses on disposal of fixed assets. Fixed asset purchases and debt principal repayments in Proprietary Funds are shown as memo items for budget disclosure purposes to comply with State law. The County does not budget for Jail Assessment fee revenues in the year they are received, but applies these fee payment on a one year delayed basis to fund jail related capital projects and related debt service. Permanent Trust and Agency funds are not included in the budget. The Comprehensive Annual Financial Report shows fund expenditures and revenues on both a GAAP basis and budget basis for comparison purposes.
6. County policy, in accordance with state and federal requirements, is to provide for an annual audit of the financial records of the government by a competent certified public accountant. In addition to meeting the requirements set forth above, the audit was also designed to meet the requirements of the federal Single Audit Act of 1984 and related U.S. Office of Management and Budget Circular A-128. The independent auditors' report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the Comprehensive Annual Financial Report (CAFR). The auditors reports related specifically to the single audit are included in a separately issued single audit report.
7. Full disclosure for bond representation is provided in the County's official statement. Beginning in 1996, in order to comply with Section Rule 15c2-12, continuing disclosure will be provided to recognized municipal securities information repositories by filing copies of the Comprehensive Annual Financial Report.

Capital and Operating Budget Process

[illegible]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Capital Budget Process												
All open projects reviewed; completed projects closed.												
Project list developed and submitted to departments.												
Review of open and planned projects.												
Preliminary consideration of new project requests.												
Technical reviews of projects.												
Departments present project plans to Co. Executive.												
Co. Executive holds Town Hall public hearing on budget.												
Executive review and decision making.												
Executive's capital budget and five year plan developed.												
Executive presents five year plan to Co. Board.												
Committees review of five year capital plan.												
Finance Committee holds public hearing on Proposed Budget.												
Board adopts/amends capital plan.												
Capital budget is adopted with operating budget.												

CAPITAL AND OPERATING BUDGET PROCESS

The annual budget process, under a County Executive form of government, is comprised of the development of both an operating budget and a capital budget with a five year capital plan. Both processes involve department budget submittals to the County Executive for review and approval. The resulting Executive's Budget is then presented to the County Board and reviewed by County Board Committees as assigned by the County Board Chairman and as designated in County Code. Standing Committees review the budget and recommend amendments to the County Board. The Executive Committee reviews, prioritizes, and makes recommendations relative to the five year capital plan for County Board consideration. The County Board considers Committee and individual supervisor amendments and adopts a budget. The County Executive may exercise a line item veto of provisions contained within the County Board adopted budget. The County Board reviews all vetoes and may take action to override vetoes.

The chronological sequence of events followed by the Capital and Operating Budget Processes is as follows:

	<u>Capital Budget and Five Year Plan</u>	<u>Operating Budget</u>
JAN- MAR	All open projects reviewed; completed projects closed Project list developed and submitted to departments	Review prior year results/identify potential budget concerns and issues Formulate budget strategies and planning Analyze impact of State Budget on County funding and programs
APR- JUNE	Review of open and planned projects Preliminary consideration of new project requests Technical reviews of project requests by Facilities Management, DOA-Information Systems Division, DOA-Budget Division and Executive's Office	Develop budget assumptions for ensuing year Budget procedures and instructions updated and distributed to departments Budget training provided to County Board of Supervisors and department fiscal staff Departmental budget targets issued Departments submit new position requests
JULY- AUG	County Executive holds Town Hall meetings Departments present project plans to County Executive Executive review and decision making Executive's capital budget and five year capital plan developed and finalized	County Executive holds Town Hall meetings Departments submit budget requests DOA-Employment Services Division and Executive's Office review and recommend new positions DOA-Budget Division staff review and analyze budget requests Department administrators present budget requests to County Executive DOA Budget staff make recommendations Executive makes budget decisions
SEP- OCT	Executive presents 5 year capital plan to County Board County Board Chairman designates distribution Appropriate Board Committees review and recommend amendments Finance Committee holds Public Hearing on Executive's proposed budget Executive Committee reviews and considers committee recommendations Executive Committee presents resolution to adopt capital plan County Board acts on proposed amendments and adopts capital plan	Executive budget book prepared County Executive message and budget document presented to County Board Publication of Public Notice Finance Committee holds Public Hearing on Executive's proposed budget Standing Committee budget reviews Finance Committee budget reviews and consideration of Committee amendments Personnel Committee reviews and presents ordinance recommending new positions to County Board

CAPITAL AND OPERATING BUDGET PROCESS cont.

	<u>Capital Budget and Five Year Plan</u>	<u>Operating Budget</u>
NOV	Capital budget appropriations are made in conjunction with the adoption of the operating budget	County Board adjourns ordinance to adopt budget for second week of November Finance Committee presents ordinances to adopt budget, distributes and recommends budget amendments Standing Committees/Supervisor propose additional budget amendments County Board acts on amendments and adopts budget County Executive reviews budget and may line item veto County Board review/takes action on vetoes

Budget Amendment Process

The Waukesha County budget process operates pursuant to Section 65.90(5)(a) and (b), Wisconsin Statutes. Any expenditure change which deviates from the original purpose of the adopted appropriations constitutes a "budget change" and must be approved by a two-thirds vote of the entire County Board.

If a transfer is requested from the Contingency Fund and it exceeds 10% of the funds originally appropriated for an individual office, department or activity, or additional funds are requested to be appropriated to supplement budgeted funds as the result of additional revenues received, an ordinance to modify the budget is required. The ordinance is prepared by the requesting department, reviewed by the Department of Administration and the County Executive. If the County Executive approves the ordinance, it is forwarded to the County Board for action. All such ordinances amending the County Adopted Budget require a two-thirds majority vote (24 votes of County Board membership).

Budget changes made under this statutory provision, except for Finance Committee transfers described in #1 below, require the County to publish a class 1 notice within 10 days after a change is made. Failure to give notice precludes changes in the proposed budget.

State law also permits county boards to delegate specific budgetary fund transfer authority powers to its finance committee. In Waukesha County, the County Board, in accordance with State Statutes, has empowered the Finance Committee to authorize the following fund transfers:

1. To transfer funds between budgeted items of an individual office, agency or department, if such budgeted items have been separately appropriated.
2. To supplement the appropriation for a particular office, department or activity by transfers from the contingent fund. Committee transfers shall not exceed the amount set up in the contingent fund and may not exceed 10% of the funds originally appropriated for an individual office, department or activity.

If a transfer of funds is determined to be necessary and the above two criteria are met, then the requesting department prepares the transfer request and submits it to the DOA-Budget Division for review and a recommendation to the County Executive. If the County Executive approves the request, it is forwarded to the Finance Committee for action.
